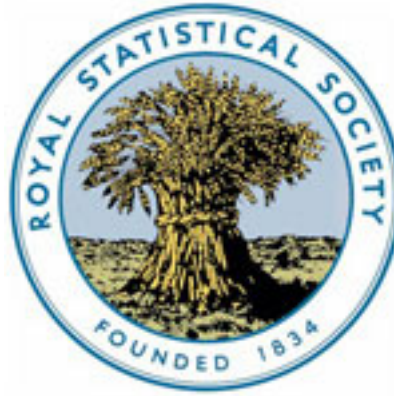


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L'Impot sur le Revenu en Allemagne. by Gaspard Wampach

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civilised portion, of the globe; and he points, with the justification of accomplished fact, to the rebuttal of the confident prophecy advanced by the geologist Suess of an inadequate output of the yellow metal. It may be noticed by the way that his book contains a new and useful account, which is both brief and comprehensive, of the existing condition of the monetary systems of the world.

But these nice vexatious problems do not monopolise an excessive proportion of his space; and he duly observes, in the body of his book, the principles laid down in the Preface of avoiding the revival of ancient controversies. These questions indeed are discussed for the most part in his third section, which is appropriately entitled the "*La vie économique des monnaies*." In the preceding section he treats briefly of those details in the mechanism and products of coinage, of which he possesses a first-hand acquaintance, under the title of "monetary technique." In the first section he sets forth, more fully, the reasons which have led men to the common use of money, and traces in outline the long history of its past development, and of its gradual but steady and continuous improvement, under the title of "theory and legislation." The student, who has read the ordinary text-books, will find M. de Foville's restatement of accepted views in this connection attractive from its crispness and lucidity. But, like the plain citizen, approaching the matter without previous knowledge, he will also be entertained and instructed by fresh instances and new suggestions. A single example must suffice to illustrate this characteristic. M. de Foville is enabled, largely by the appropriate means of the useful collection, which he has been instrumental in forming, of the currencies of French Africa, to present a great diversity of novel types of primitive varieties of money. We think, indeed, that it would be difficult to improve upon the historical exposition of the growth of monetary systems which is furnished in this section; and we would repeat, in conclusion, the expression of gratitude, with which, in the interests both of the beginner, and of the more advanced student and the teacher, we welcome this opportune addition to the existing manuals of monetary economics. It possesses, as we have tried to show, certain qualities to which few or none of those can pretend; it is, in our opinion, admirably adapted to the purpose for which it has been written—the presentation in a popular but orderly shape of essential truths. And, finally, it may be justly considered "up to date."

L.L.P.

14.—*L'Impôt sur le Revenu en Allemagne*. Par Gaspard Wampach. 310 pp., crown 8vo. Paris: G. Cadet, 1907.

This interesting monograph was written primarily with a view to its immediate bearing on the financial politics of France, where proposals for an income tax have once again been recently put forward. The author accordingly does not neglect the opportunity afforded in the course of his investigations into the past history and present state of taxation of income in Germany to point a moral which is favourable to the employment of a similar fiscal instrument

in France. Of its efficiency as an engine for producing a large revenue by means which can be easily and rapidly adapted to changed requirements, and can without excessive pains be brought into sufficient harmony with the legitimate demands of equity to different classes of taxpayers, he feels no doubt, and his confidence is justified by the illuminating detailed record which he furnishes of the experience of such taxation. He would certainly lend his powerful support to this particular reform, which occupies no inconspicuous place among those favoured or projected by the Ministry of M. Clémenceau; and the main motive which prompted him to undertake the book is openly acknowledged in the preface.

But, if the primary object of the Essay is thus distinctly practical, in the execution of his plan M. Wampach has succeeded, by the comprehensiveness of his researches, by the penetration of his judgment, and the lucidity of his arrangement, in producing a work which is of more importance than could attach to any mere polemical pamphlet adjusted to the transitory needs of a passing controversy. He has unquestionably conceived and carried out his task in a scientific spirit, and his facts and his conclusions will interest English no less than French or German readers. As he states in his preface, he chose Germany as the special field of his investigations, because that country presents a great variety of conditions, and may, with some justice, claim in this matter the title commonly bestowed on Belgium of being the "social laboratory" of the world. In the second section of his treatise, where he examines the fiscal arrangements made in this connection by the various other States of the German Empire besides Prussia, this diversity of circumstance is strikingly exhibited. From Bavaria, where agriculture is still dominant, to industrial Saxony, and from the backward feudal Duchies of Mecklenburg to the progressive and liberal state of Baden, the interval traversed is considerable; and abundant material is offered for comparison. From Saxony, indeed, De Miquel avowedly borrowed some of the reforms which he introduced in Prussia in 1891; and the Prussian income tax, as arranged by this law of 1891, modified by the new enactment of 1906, forms the subject of exhaustive investigation in the first section of M. Wampach's treatise. In successive chapters he inquires in turn into the persons on whom the tax is levied, its incidence, the scale on which it is arranged, the mode of its assessment, and the precautions taken to prevent evasion and provide redress against injustice. He does not refrain from merited criticism of its shortcomings; but he is ready to acknowledge freely the numerous good points in the conception and administration of this important portion of the machinery of the Prussian fiscal system.

He shows that in practice an income tax necessitates the fixing of some limit of exemption, and that it is probable that in Prussia this limit has now been placed too low. He allows that the irresistible attraction of tapping a productive source of revenue has led Prussian financiers, by taxing joint stock companies, to increase the probability of that double taxation, which can with difficulty be

duly limited in every system, and cannot be entirely avoided by any ingenious regulations about the domicile of the taxpayer or the like. Prussian administrators started with the notion, which seems carefully devised to meet the objection commonly alleged against an income tax that it is inquisitorial, of proceeding by criteria afforded by external evidence alone, but they have ended by making a declaration of income compulsory for those possessing more than a certain quota; and fault may be found with the detailed arrangement of the constitution and the action of the bodies charged with the assessment, while evidence which is forthcoming shows that dishonest declarations are not unknown, and that the methods of redress against unjust assessment fail to satisfy. Graduation, which fulfils the approved ideal of an equivalent sacrifice more completely than a fixed proportion taken from each taxpayer, only avoids the danger of confiscation by being exchanged in the Prussian system at the higher level of incomes for proportional taxation, and the rate by which below this point its increase has been regulated must in any event be open to the charge of being arbitrary, and in certain actual instances in Prussia seems to be excessive. Nor apparently is it easy, or perhaps is it possible, to give full effect to the general plan followed in Prussia of taxing income in the total mass, as opposed to the English practice of charging the different component portions of an income in distinct various schedules, without departures from consistency; and as a matter of fact the Prussian tax on income has been supplemented also by a tax on capital.

But nevertheless the Prussian financiers have been conspicuously successful in transforming within a recent period the whole basis of their financial system, and in thus meeting the imperative needs of an enlarged expenditure, by the skilful opportune employment of this particular productive fiscal instrument; and in the final chapter of his first section, where M. Wampach draws his general conclusions, his judgment is distinctly favourable. From the indications we have given of the material discussed, and of the mode of its discussion, it will be seen how informing is the narrative supplied, and the interest is sustained in the second and concluding section of the book. We have only space here to call special attention to the chapter in which M. Wampach shows how gradually but surely the Prussian ideas of finance have superseded those French arrangements which were found existing in the conquered provinces of Alsace-Lorraine; and to urge that English readers will find much to interest them in his pages. They will study with advantage the references given to English practice; they will derive no less instruction from the differences prevailing between the German systems and our own. For he would be a bold prophet who did not expect that changes would be introduced into our income tax in the future. The last Budget made some advance in that direction, and strenuous reformers have not failed to raise their voices in demands for further alterations. M. Wampach's book may, indeed, fittingly be read as a supplement to a recent official report issued in this country on Graduation as practised by foreign nations.

L.L.P.